



Wyoming Lender Alert

100 East B Street, Room 4001 Federal Building, P.O. Box 44001,
Casper, Wyoming 82602-5013

Tel: (307) 261-6500 Fax: (307) 261-6535 TDD: (307) 261-6527 Web: www.sba.gov/wy

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Steven Despain, District Director

Making a Difference for Small Business in Wyoming



Steven C. Preston Sworn In As Administrator of SBA

Steven C. Preston was sworn in Monday July 20, 2006 as Administrator of the U.S. Small Business Administration.

Preston is a former business executive with broad experience in financial management and executive leadership. He is the 22nd Administrator of the SBA.

He was confirmed by the U.S. Senate by unanimous consent on June 29. The Senate Committee on Small Business and Entrepreneurship had unanimously recommended Preston's confirmation.

"I am grateful to President Bush for the opportunity to serve in a way that so directly affects the lives of so many Americans," Preston said. "I am also humbled by the bipartisan support I have received in Congress and am committed to fostering a strong relationship with the many stakeholders of the SBA."

During his confirmation hearing on June 21, Preston emphasized the importance of sophisticated finan-

cial management, operational responsiveness and a customer service culture at the SBA. "None of this happens by accident," he said. "It requires dogged focus to move the ball forward each and every day."

Until recently, Preston was Executive Vice President of The ServiceMaster Company, a major franchising organization with thousands of small businesses in its network. Preston also had served as Chief Financial Officer. He previously had been Senior Vice President and Treasurer of First Data Corporation, and an investment banker at Lehman Brothers.

He currently serves as vice chairman of the Board of Visitors for the Weinberg College of Arts and Sciences at Northwestern University, and has served on numerous boards of philanthropic and other organizations.

Preston graduated with Highest Distinction from Northwestern University with a political science degree, and received an MBA from the University Of Chicago Graduate School Of Business. He also has studied at the Ludwig-Maximilians-Universität in Munich, Germany.

Preston and his wife, Molly have five children and will be relocating to the Washington, D.C., area.

Looking For 2007 Nominations

You must have someone in mind for a small business award! Who

has made the greatest impact in your community? Who would you like to highlight? Help us recognize outstanding small business leaders in your local community. Complete a simple letter nomination format and send it to us! If you are interested in nominating someone, please contact Sharon Nichols at 307-261-6508, sharon.nichols@sba.gov

Is Bankruptcy Right For You?

By Norma Barnick,
North Dakota District Office

Are you hopelessly burdened with debt? Do you need a new start? Bankruptcy may be the right solution to your financial situation.

Consumer bankruptcy filings have risen dramatically. In 2005 there were more than 2,039,214 bankruptcy cases filed.

There has been much concern about bankruptcy abuse – that it was used too readily and a first option rather than as a last resort. It was discovered, however, that bankruptcy usually is a result of something beyond ones control. Very common causes are unemployment, large medical expenses, marital problems and large unexpected expenses.

The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 which took effect October 17, 2005 is the most extensive piece of reform to bankruptcy in more than 25 years.

Key changes brought about by this act are:

Mandatory Credit Counseling – Before you can file Chapter 7 or

Chapter 13 you must complete credit counseling that has been approved by the United States Trustee's Office, www.usdoj.gov/ust click "Credit Counseling and Debtor Education." The purpose of this counseling is to see if you really need to file bankruptcy or whether you have enough resources to set up a plan of repayment and resume your life without bankruptcy.

Means Test – This means stricter eligibility for filing Chapter 7. Your current monthly income is measured against the median income for a family of your size in your state. This income is the average income over the last six months before you filed. There are median income tables by the state and family size at the Website of the United States Trustee, www.usdoj.gov/ust click "Means Test Information." The purpose of the means test is to find out how much disposable income you have after subtracting allowable expenses to see if you would be able to make payments against your debt under a Chapter 13 plan. If you have at least \$100 a month left over after paying certain debts and expenses you must file a five year repayment plan under Chapter 13 which is more restrictive.

Requirements have been eased for hurricane victims. For special rules and circumstances go to the Website of the United States Trustee, www.usdoj.gov/ust, and click "Enforcement Guidelines for Debtors Affected by Natural Disasters."

Anyone wishing to file a Chapter 7 or a Chapter 13 must show proof that they filed a federal tax return in the past year.

Lawyers may be harder to find and more expensive – the new law has made it more complicated to file bankruptcy so attorneys will be spending more time on each case plus they must now personally vouch for the accuracy of all the information provided. This will

make it more expensive and more time consuming gathering all the information which will make it a more specialized process.

Property must be valued at replacement cost – under the new law your property is valued at what it would cost to replace it from a retail vendor, taking into account the age and condition of the property. It used to be that property could be valued for a fraction of the actual value and so much of it could be classified as exempt property.

You must research the laws of your state and consider your financial situation to make a knowledgeable decision on whether to file bankruptcy or not. Bankruptcy filings are public records.

Bankruptcy remains on your credit record for 10 years.

State exemptions – you must live in a state at least two years prior to filing to use that state's exemption laws; otherwise, you will have to use the laws of the state where you previously lived. Exemption amounts vary widely from state to state so the new residency requirements could make a big difference in the amount of property you are allowed to keep.

You must attend a mandatory financial management education counseling session before any debt can be discharged.

There are fewer protections for filers. Filing for bankruptcy no longer delays or stops eviction actions, driver's license suspensions, legal actions for child support or divorce proceedings. Debts usually not erased by bankruptcy include child support, alimony, debt for personal injury or death caused by your intoxicated driving, student loans from government organizations, fines and penalties imposed for violating the law.

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GROWING & MANAGING YOUR BUSINESS

To be effective as a leader, you must develop skills in strategic thinking. Strategic thinking is a process whereby you learn how to make your business vision a reality by developing your abilities in team work, problem solving, and critical thinking. It is also a tool to help you confront change, plan for and make transitions, and envision new possibilities and opportunities.

As you develop a strategic vision for your business, you should focus on five different criteria. These five criteria will help you define your ideal outcome. In addition, they will help you set up and develop the steps necessary to make your business vision a reality.

The following is a list of five criteria of the strategic thinking process:

Organization: The organization of your business involves the people you will have working for you, the organizational structure of your business and the sources necessary to make it all work. What will your organization look like? What type of structure will support your vision? How will you combine people, resources, and structure together to achieve your ideal outcome?

Observation: Strategic thinking allows you to see things from "higher up". By increasing your powers of observation, you will begin to become more aware of what motivates people, how to solve problems more effectively, and how to distinguish between alternatives.

Views: Views are simply different ways of thinking about something. In strategic thinking, there are four view-points to take into consideration when forming your business strategy: the environmental view; the marketplace view; the project view; and the measurement

view. Views can be used as tools to help you think about outcomes, identify critical elements, and adjust your actions to achieve your ideal position.

Driving Forces: What are the driving forces that will make your ideal outcome a reality? What is your company's vision and mission? Driving forces usually lay the foundation for what you want people to focus on in your business.

Ideal Position: After working through the first four phases of the strategic thinking process, you should be able to define your ideal position. Your ideal position outline should include the conditions you have found to be necessary if your business is to be productive; the niche in the marketplace that your business will fill; any opportunities that may exist either currently or in the future for your business; the core competencies or skills required in your business; and the strategies and tactics you will use to pull it all together.

By working through these five areas, you will begin to get a clearer picture of exactly how your business vision can be accomplished. As your vision becomes more focused, your ideas will appear stronger and more credible. Not only will it be easier to convince others that your idea is a good one, but it will also be easier to maintain your own conviction and motivation when you reach any pitfalls or obstacles in the road

Big Advice for Your Small Business

Besides inadequate access to capital, perhaps the single most important obstacle to small business success is the lack of technical and management assistance, and access to timely and accurate information, training, counseling and business education.

That's why the Small Business Development Center (SBDC) program is one of the U.S. Small Business Administration's bedrock

offerings. If you are considering starting your own business or encounter problems with an existing business, the SBDC program can help you navigate the road to success by guiding you through the critical steps to business success.

The SBDC program provides counseling and training to those who want to start a small business and to existing small business owners. The SBDC program is a cooperative effort of the private sector, the educational community and federal, state and local governments. It enhances economic development by providing small businesses with management and technical assistance.

Located primarily at colleges and universities across the country, the program boasts a network of more than 1,100 small business development centers, one network in every state. SBDC service centers are available to provide you with insightful information and valuable advice on how to start or grow your small business.

SBDCs provide services that include business counseling and training, such as assistance with financial marketing, organization, engineering and technical problems and feasibility studies. Special programs and economic development activities include international trade assistance, technical assistance, procurement assistance, venture capital formation, and rural development. Counselors help entrepreneurs with loan applications, business plans and common everyday business management problems, such as establishing a bookkeeping system, hiring employees or planning for sales via the Internet.

SBDC service centers are located at colleges, universities, community colleges, vocational schools, chambers of commerce and economic development corporations. They also provide online counseling and use "circuit riders" who visit individual businesses and hold

seminars and training sessions at remote locations.

Each SBDC develops its services in cooperation with the local SBA District Office to bring together other available resources. The SBDC Program is designed to deliver up-to-date counseling, training and technical assistance in all aspects of small business management. SBDC assistance is tailored to each local community and to the individual needs of clients.

Each SBDC has a director, staff members, volunteers, and part-time personnel. Qualified individuals who donate their services are recruited from professional and trade associations, the legal and banking community, academia, chambers of commerce and SCORE "Counselors to America's Small Business". In addition, SBDCs also use paid consultants, consulting engineers and testing laboratories from the private sector to help clients who need specialized expertise.

Counseling and training assistance from an SBDC is available to anyone interested in starting a small business for the first time, or improving or expanding an existing small business. The SBDCs make special efforts to reach minority members of socially and economically disadvantaged groups, veterans, women and the disabled. Assistance is also provided to small businesses applying for Small Business Innovation and Research grants from federal agencies.

SBDC sites are located throughout the country. For locations in Wyoming, visit online at WWW.SBA.GOV/WY_SBDCWY.html

UPCOMING EVENTS

Aug. 2 – Women's Roundtable-Casper

Aug. 10 – Women's Roundtable - Worland

Aug. 15 – Women's Roundtable-Cody

Aug. 17 – Women's Roundtable-Powell

WWW.SBA.GOV/WY